

FY25 BUDGET UPDATE

ADVISORY BOARD
DECEMBER 6, 2023



Overview



Explanation of Changes



Projected Deficit



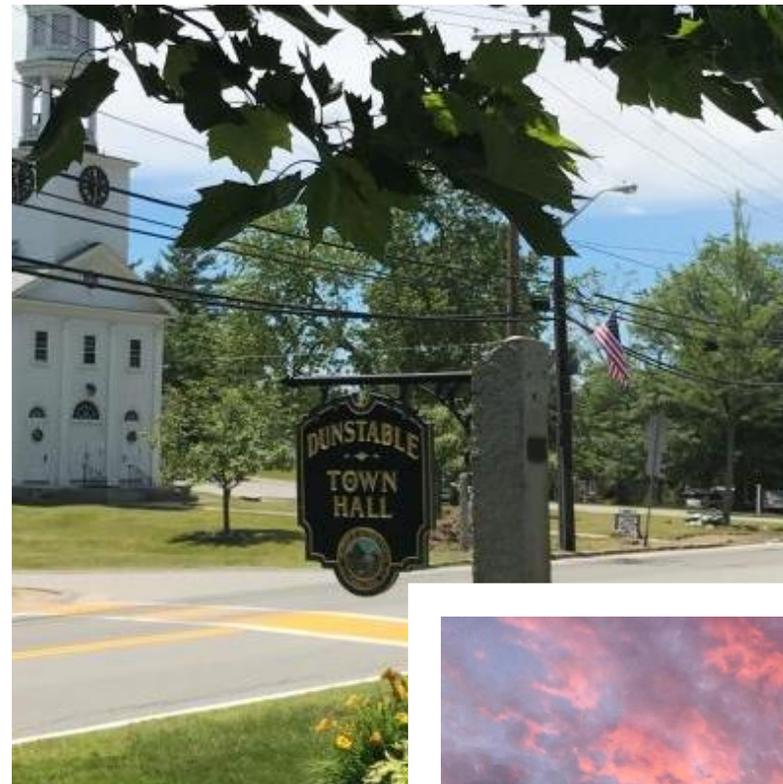
Options to Balance



Forecast Update



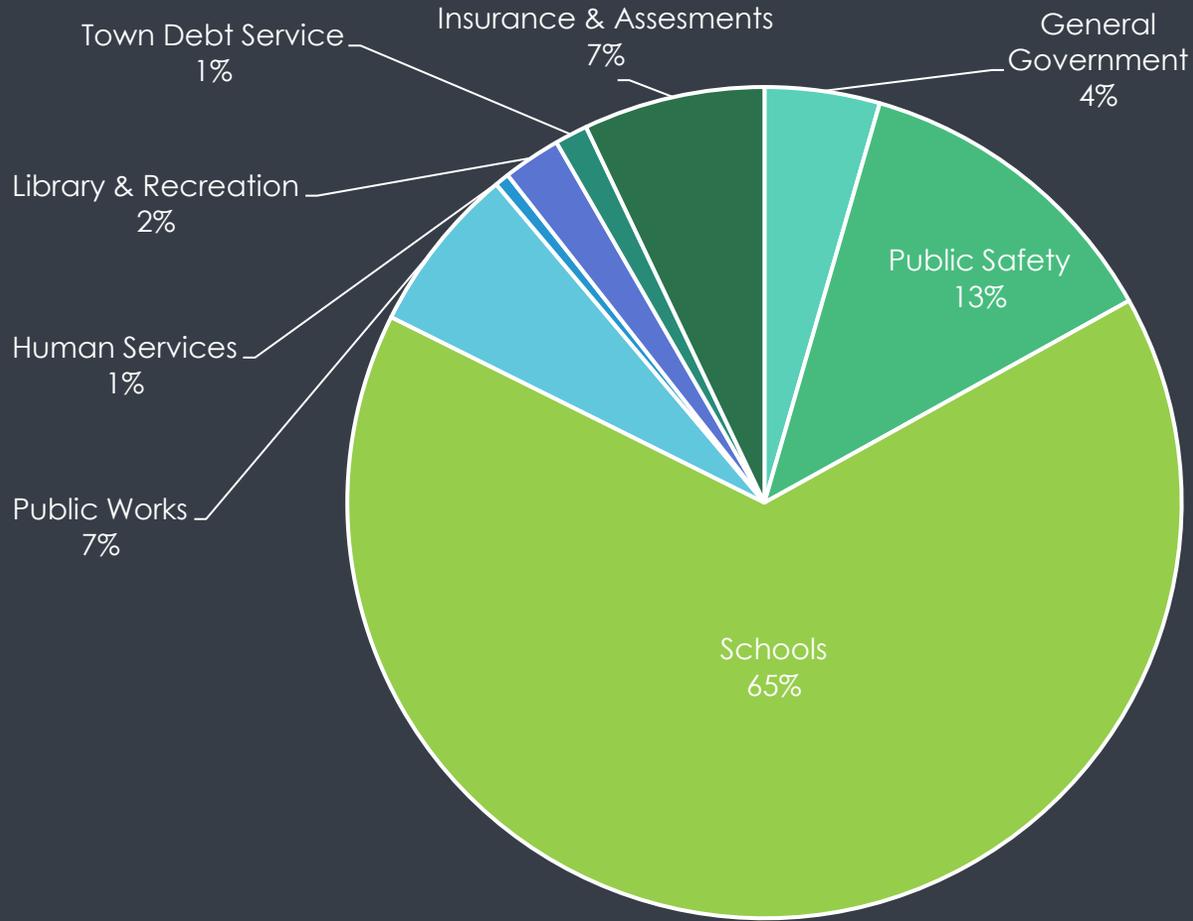
Moving Forward



| SPENDING CATEGORY | BUDGET |
|--------------------------|---------------------|
| General Government | \$629,116 |
| Public Safety | \$1,758,904 |
| Schools | \$9,232,908 |
| Public Works | \$919,870 |
| Human Services | \$79,328 |
| Library & Recreation | \$316,772 |
| Town Debt Service | \$179,627 |
| Insurance & Assesments | \$992,650 |
| Total Town Budget | \$14,109,175 |

OVERALL BUDGET SPENDING

Budget Spending by Category



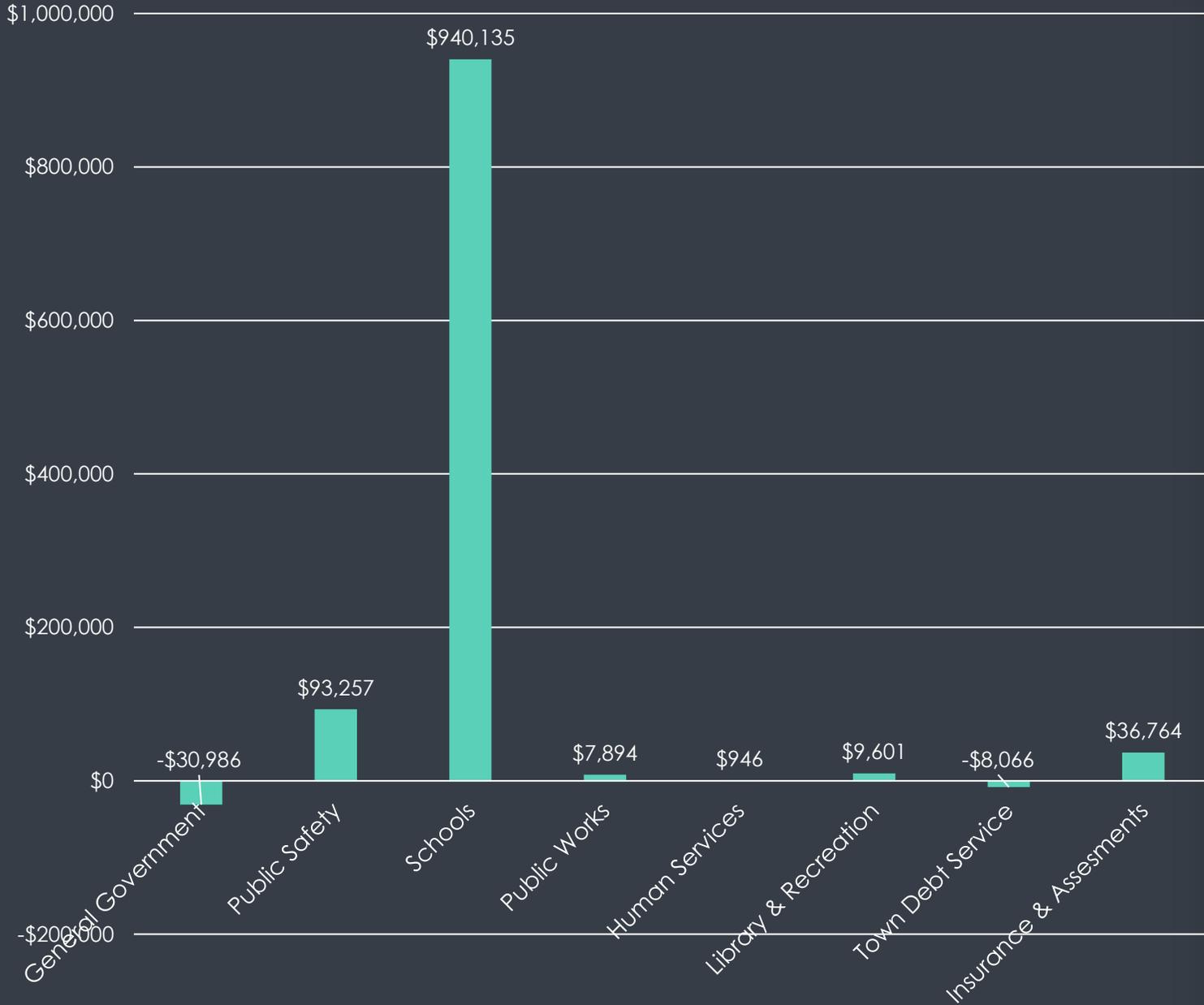
- General Government
- Public Safety
- Schools
- Public Works
- Human Services
- Library & Recreation
- Town Debt Service
- Insurance & Assesments

**OVERALL
BUDGET
SPENDING**

OVERALL BUDGET INCREASES

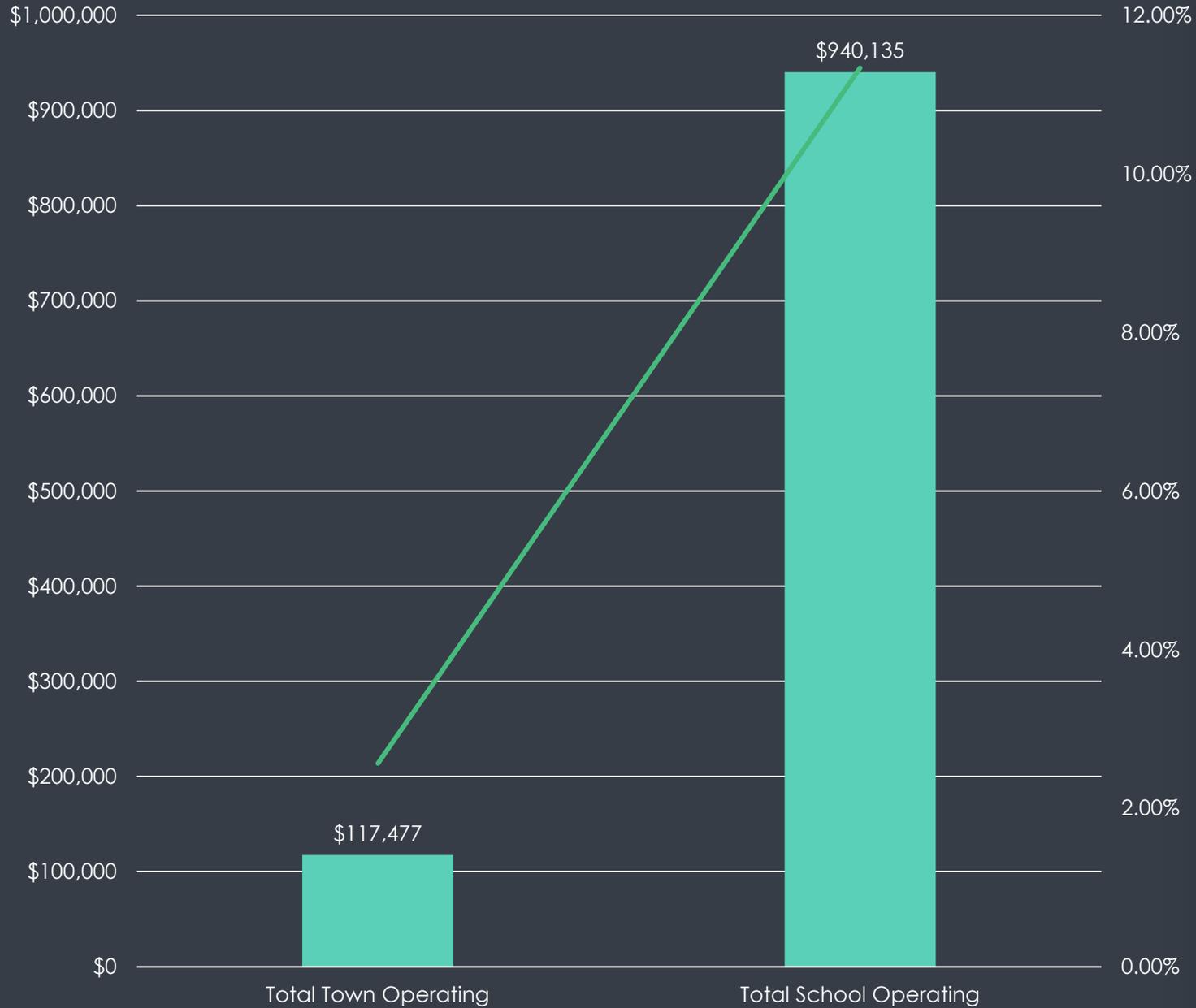
| Budget Category | Increase | Percent Increase |
|--------------------------|--------------------|------------------|
| General Government | -\$30,986 | -4.69% |
| Public Safety | \$93,257 | 5.60% |
| Schools | \$940,135 | 11.34% |
| Public Works | \$7,894 | 0.87% |
| Human Services | \$946 | 1.21% |
| Library & Recreation | \$9,601 | 3.13% |
| Town Debt Service | -\$8,066 | -4.30% |
| Insurance & Assessments | \$36,764 | 3.85% |
| Total Town Budget | \$1,049,546 | 8.04% |

Budget Increases by Category



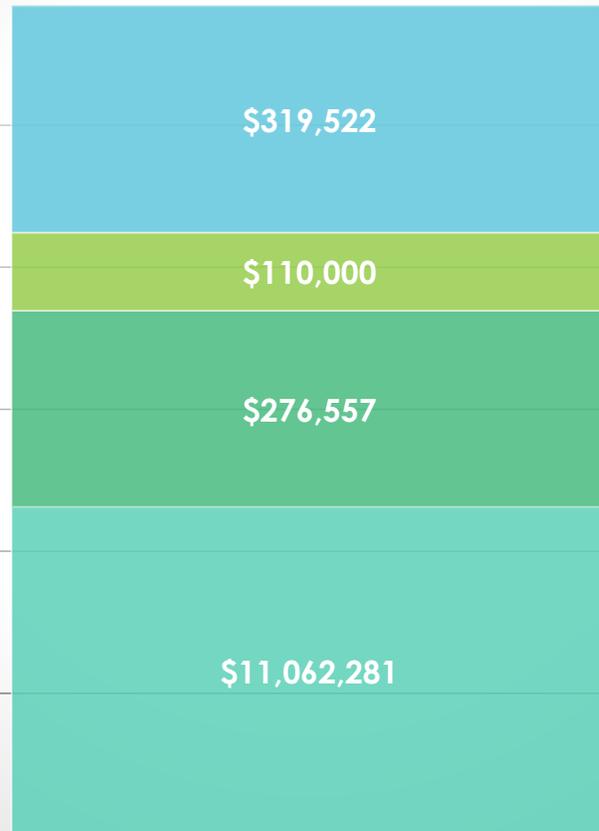
**BUDGET
INCREASES
BY
CATEGORY**

Town versus School Increase



**BUDGET
INCREASES
TOWN
VERSUS
SCHOOL
ASSESSMENT**

Tax Levy



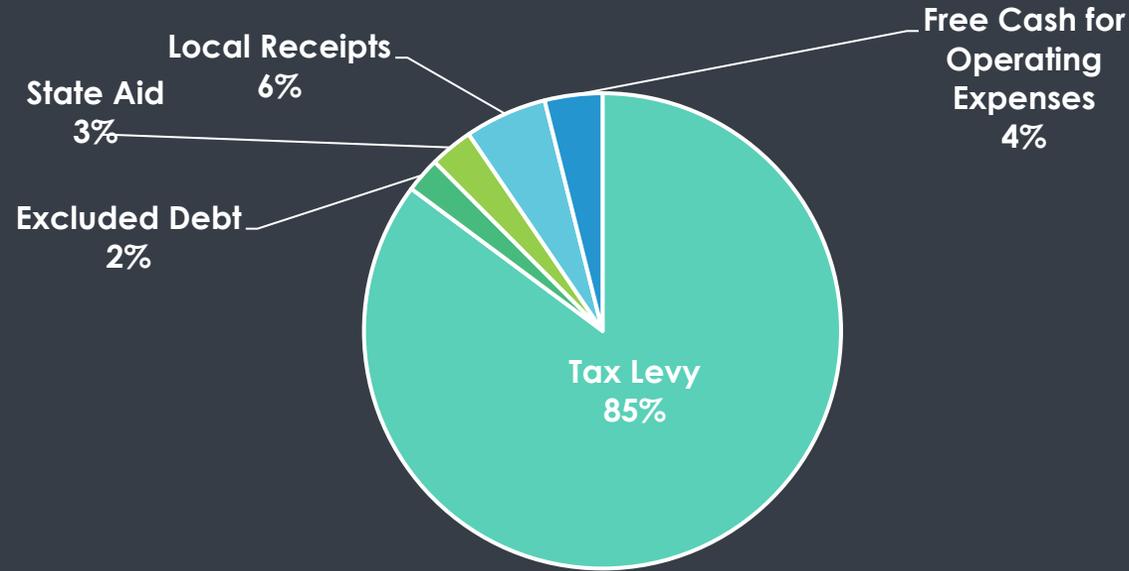
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■ Prior Year Levy Limit ■ 2 1/2 % Allowed Increase ■ New & Amended Growth ■ Excluded Debt

Levy Limit \$11,768,360

**REVENUE
PROJECTIONS
AND
ANALYSIS**

Town Revenue

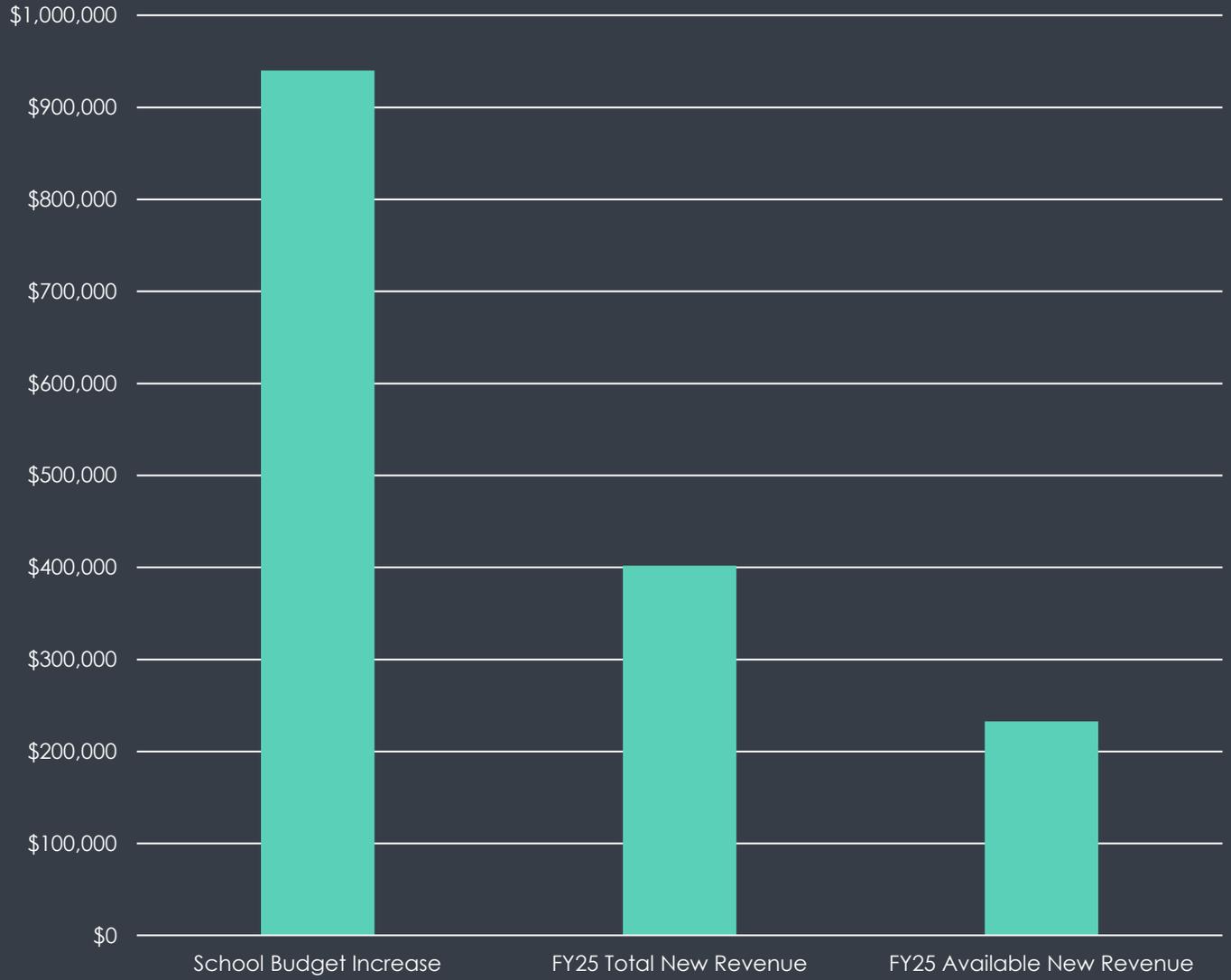


- Tax Levy
- Excluded Debt
- Cherry Sheet Receipts (State Aid)
- Local Receipts
- Free Cash for Operating Expenses

REVENUE PROJECTIONS AND ANALYSIS

| | |
|-----------------------------------|---------------------|
| Tax Levy | \$11,448,838 |
| Excluded Debt | \$319,522 |
| Cherry Sheet Receipts (State Aid) | \$394,475 |
| Local Receipts | \$750,000 |
| Free Cash for Operating Expenses | \$524,343 |
| Total | \$13,437,178 |

School Assessment Increase versus FY25 New Revenue

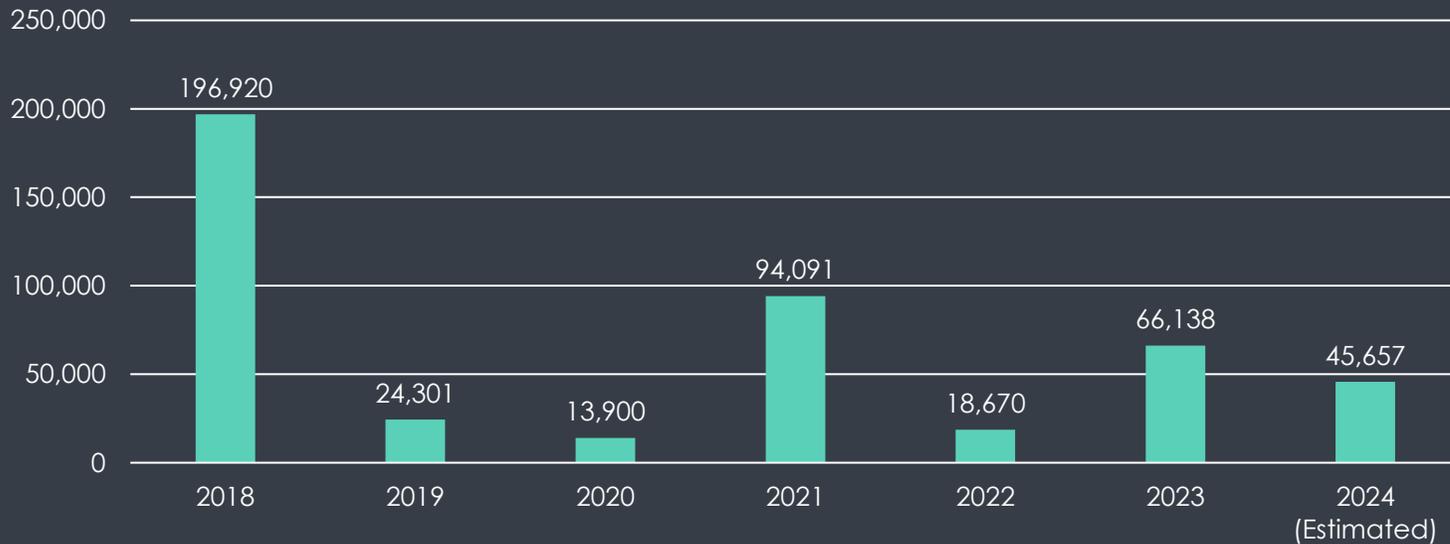


**SCHOOL
ASSESSMENT
INCREASE
VERSUS NEW
REVENUE**

Certified Free Cash



Free Cash Balance (after use to balance budget)



FREE CASH

EXPLANATION OF MAJOR BUDGET CHANGES

Regionalization of services: Town Clerk, Treasurer/Collector, and Regional Emergency Communications Center (RECC)

Reduction in Treasurer/Collector budget from \$91,940 to \$59,589

Reduction in Town Clerk budget from \$53,414 to \$38,604

Reduction in Police Communications line from \$124,300 to \$31,765

EXPLANATION OF MAJOR BUDGET CHANGES

Employee Benefits and Insurance

Pension costs increase from \$365,094 to \$386,855 (6%)

Health Insurance costs increase from \$386,428 to \$405,749 (5%)

Property, Casualty, Liability Insurance costs increase from \$147,644 to \$162,408 (10%)

EXPLANATION OF MAJOR BUDGET CHANGES

Restoring FY24 budget reductions

Per diem firefighter day shift: increase of \$48,830

Overnight Police Officer: increase of \$81,397.10

Town Administrator's Training: increase of \$3,000

EXPLANATION OF MAJOR BUDGET CHANGES

Allocation of salary costs in Water Department, Assessors, and Accounting

Reduction in Assessors budget from \$18,519 to \$12,628 (from 14.5 hours to 9.5 hours per week)

Reduction in Water budget from \$17,802 to \$12,147 (from 14.5 hours to 9.5 hours per week)

Increase in Accounting budget from \$12,289 to \$28,311 (from 8 hours to 18 hours per week)

EXPLANATION OF MAJOR BUDGET CHANGES

Other Budget Increases and Decreases

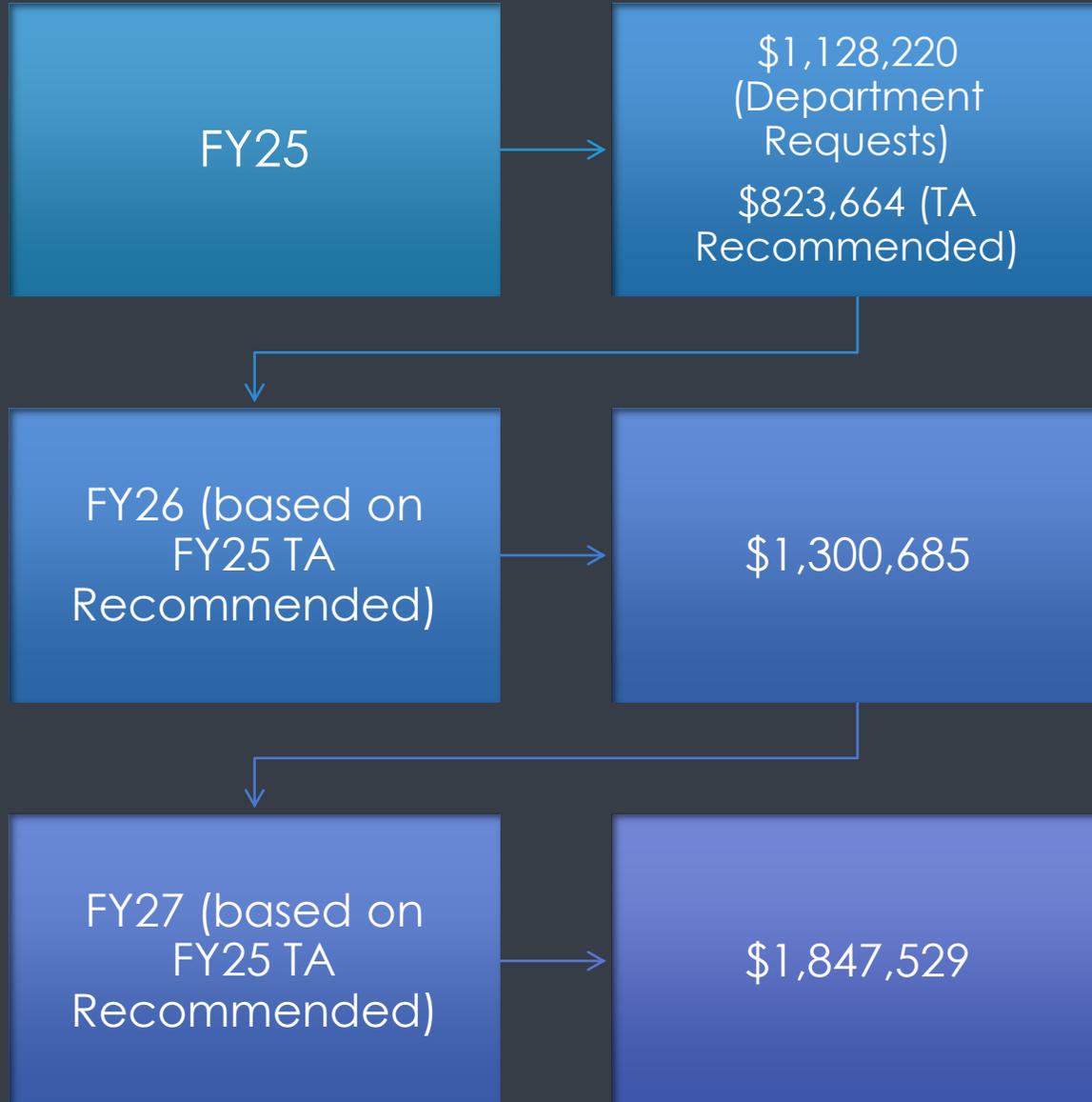
Nashoba Associated Boards of Health: from \$11,262.73 to \$12,049 (7%)

Fire Expenses: from \$87,950 to \$92,450 (5%)
energy, water, vehicle and EMS supplies

Council on Aging: \$1,000 reduction in food service and transportation

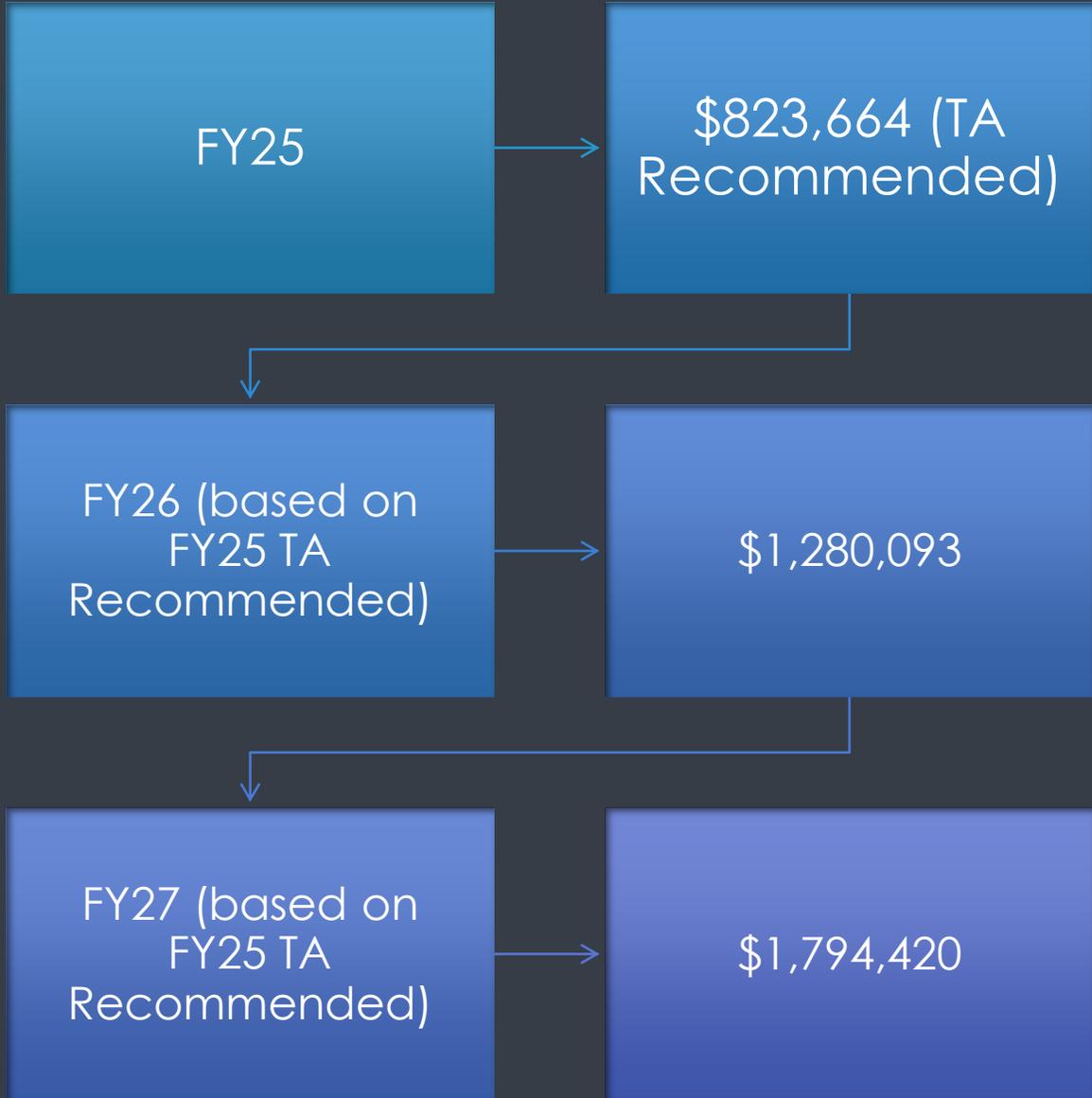
BOH Nurse Assessment: \$5,162 to \$5,471 (6%)

Technology: from \$30,250 to \$37,546 (24%)



PROJECTED DEFICITS

- **FY26 AND FY27 BASED ON:**
 - **7.5% School Increase**
 - **3% Town Increase**
 - **5% Increase in Insurance/Assessments**



**PROJECTED
OVERRIDE**

FY24 average single-family home is assessed at \$641,400.

The new tax rate has not yet been certified but most likely will be \$14.02.

If we had an additional \$1,794,420 to the levy, the tax rate would increase to \$16.24.

This would increase the taxes on the average home from \$8,992.43 (plus the 3% CPA) to \$10,416.34 (plus the 3% CPA).

With the 3% CPA, that would be an increase of:

- Approximately \$1,736.40 for a 3-year override
- Approximately \$1,043.82 for a 2-year override
- Approximately \$673.86 for a 1-year override

IMPACT TO THE AVERAGE SINGLE FAMILY TAX BILL

Proportionally assign new available revenue (65% schools; 35% town)

Total new revenue \$232,753

School new revenue: \$151,290

Town new revenue: \$81,463

School Budget Increase: \$940,135

Town Budget Increase: \$117,477

School Budget Deficit: \$788,845

Town Budget Deficit: \$36,014

**OPTIONS TO
BALANCE**

**Proportionally assign
bottom line deficit (65%
schools; 35% town)**

FY25 deficit: \$823,664

School deficit: \$535,382

Town deficit: \$288,282

**OPTIONS TO
BALANCE**

Town or School Cover Entire Deficit

FY25 deficit:
\$823,664

**OPTIONS TO
BALANCE**

MOVING FORWARD

Additional meetings with the Joint Budget Working Group

Determine approach to allocate deficit between Town and schools

Continue work to finalize budget with departments, Advisory Board, and Select Board

Determine override approach – 1, 2, or 3 years

Determine process - ATM, STM, Town Election (Groton has proposed April 2)

THANK

YOU